

Reducing Prescription Drug Costs



**What those
with
Medicare
need
to know
about**



Louisiana Department of Insurance
J. Robert Wooley, Commissioner



Cost of prescription drugs is becoming a bigger burden for people with Medicare, and how to solve this problem is a growing issue. Until there is a solution, consumers need to know how to get the most from what is available.

Medicare coverage for self-administered prescription drugs is limited to those taken after a transplant or to counter the effects of cancer treatments. Other insurance coverage can be a good solution, but it's not available for everyone. Assistance programs help, but you must have limited income and resources to qualify.

The commercial market offers other options. These generally have fewer benefits, higher premiums and limited long-term protection.

Consumer protection resources

It's a "Buyer Beware" market. Consumers must decide if choices are legitimate and will help them save money. Before making a decision about any program, be sure you understand what it is and how it will work for you. Check the following resources to avoid potential problems:

✓ *Louisiana Attorney General's Office*
(800-351-4889) www.ag.state.la.us/

Check with the Attorney General's Consumer Protection Division before doing business with someone you don't know or after you have a bad experience. It monitors activity in the state as it affects consumers. The Consumer Protection Staff can tell you if:

- Complaints have been received about a drug discount program.
- Law violations that have been found.
- Actions have been taken to punish those who broke the law or to prevent further unacceptable activity.

- Remedies are available to help you recover any losses you've incurred.

✓ *SHIIP - Louisiana Department of Insurance*
(1-800-259-5301) www.ldi.la.gov

The Senior Health Insurance Information Program (SHIIP) is part of the Louisiana Department of Insurance. SHIIP has free services to help consumers.

Contact SHIIP for:

- Objective information about Medicare and related health insurance issues including long-term care insurance.
- Trained insurance counselors available to meet with individuals and provide confidential assistance.
- Question related to any issue discussed in this publication.

The Louisiana Department of Insurance regulates and monitors the activity of the insurance industry in Louisiana. Check with them to verify if:

- An insurance company is approved to do business in Louisiana.
- An insurance agent is licensed to do business in Louisiana.
- A product you are being offered is an approved insurance plan.

You may file a complaint regarding:

- Insurance company and agent behavior.
- Claims payment by an insurance plan.



L. Robert Woolley
Commissioner of Insurance

1. Insurance Options With Drug Benefits

Insurance works by providing specific benefits for which claim payments are made. Both state and federal governments regulate insurance in the private market. Laws and regulations set guidelines that must be met regarding benefits offered, claims payment, agent licensing, sales practices and penalties for violations.

✓ Medicare Supplement Policies

What's available?

The standard Medicare supplement **insurance plans H, I and J** have a limited prescription drug benefit. Premiums for these plans are substantially higher than for non-drug plans. Plans are guaranteed renewable,



This means they can't be cancelled as long as premiums are paid. You have a six-month open enrollment period when you are first on Medicare Part B regardless of age. During this period, a company can't turn you down for any Medicare supplement plan it sells. After the open enrollment period you may not be able to buy an H, I or J plan if you are already taking prescription drugs.

How does the benefit work?

You are responsible for a \$250 deductible before benefits are paid. Then the insurance plan pays 50%, and you pay 50% of the prescription cost. Plans H and I will pay maximum benefits of \$1,250 per year; plan J will pay \$3,000 a year.

Evaluating Supplement Drug Benefits:

Do plan benefits that cover prescription drugs justify the added premium?

Do the following calculation to compare.

Benefit Calculation	Plan H or I	Plan J
A. Your monthly drug charges x 12 months		
B. Subtract the annual deductible	- \$250	- \$250
C. Balance (A – B)		
D. Balance from C x 50 %		
E. Benefits paid by H or I: Enter lower amount - line D or \$1,250 (the maximum plan benefit)		
Benefits paid by J: Enter the lower amount -- line D or \$3,000 (the maximum plan benefit)		
F. Annual premium for plan with drug benefits		
G. Annual premium for plan you are considering without drug benefit		
H. Additional premium for drug plan (F-G)		



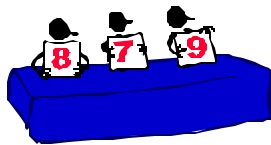
Decision? Compare the extra premium on line “H” to the benefit on line “E”.

- Is paying the extra premium worth it to you in your present circumstances?
- Do you want to buy a drug plan now for potential drug needs later on?

✓ *Employer Group Health Insurance Plans*

Benefits through current or former employment often include prescription drug coverage. There is no standard design for employer-based benefits, and the plans aren't regulated by the Louisiana Department of Insurance. A plan may have its own list of covered drugs and may emphasize the use of generic drugs. It may require that you pay a set copayment or a percentage of the costs. Employers may change benefit plans from one to another or even discontinue the benefit or stop the plan altogether.

Evaluating an Employer Benefit Plan:



Employer benefit plans often have better coverage than you can get on your own. First, look at how the drug coverage will benefit you. Take your expected drug costs and estimate how much you pay for the plan, and the other benefits it provides.

A plan with a good drug benefit may not cover other health care very well. If the plan doesn't supplement Medicare well, consider buying a Medicare supplement policy in addition to the employer plan. Both plans must pay benefits.

The decision to drop an employer plan must be considered carefully. Once you have dropped a plan, you won't be allowed to get it back.

To help you evaluate your insurance plan, contact SHIP at 1-800-259-5301.

✓ *Medicare+Choice*

Medicare plans other than Original Medicare may have drug benefits. A Medicare+Choice plan may require you to pay a deductible or copayment.

Louisiana has two Medicare HMO plans that offer a drug benefit. Both plans offer a prescription drug benefit in their coverage area around New Orleans

✓ *Prescription Insurance Plan*

A prescription insurance product can be offered, and such plans have occasionally been available. This is NOT the same as a discount card program. With an insurance plan, a claim is sent to the insurance plan and it pays a benefit like regular health insurance. Such plans are rare and generally short-lived. They are not guaranteed renewable, so the company may cancel you at anytime.



2. Military

✓ *Retired Military*

TRICARE-For-Life is a health insurance plan that supplements Medicare and includes the **Senior Pharmacy Program**. You pay no premium to participate in either program.

TRICARE-For-Life pays Medicare deductibles, coinsurance and excess charges. The Senior Pharmacy Program provides low-cost prescriptions from military health facilities, National Mail Order Pharmacy, TRICARE network pharmacies and retail pharmacies.

If you were 65 before April 1, 2001, and want to use only the Senior Pharmacy program, you do not have to be enrolled in Medicare Part B. However, you must have **Medicare Part A and Part B** to participate in TRICARE-For-Life and the Senior Pharmacy Program.

Eligibility:

- Medicare-eligible military retirees- (Retirees are those who had **20 or more** years of active duty service.)
- Retirees' Medicare-eligible spouses and survivors 65 and older
- Certain former spouses
- Reservists and guardsman who draw reserve retired pay, their spouses and other eligible family members will be eligible when they become 65.



✓ *Veterans Administration*

All veterans regardless of category or financial need (unless dishonorably discharged) can participate in this program. You must visit a VA doctor for a prescription and pay a copayment for the visit. You pay a small copayment for each prescription. Refills can be obtained by mail order. Contact your nearest VA center.

3. Drug Discount and Savings Programs

These ARE NOT insurance plans. The state insurance laws and Louisiana Department of Insurance have no authority over them. The Attorney General's office can review any complaints about these programs.

Programs that promise to lower prescription drug costs come from a variety of sources including insurance companies, drug stores and private organizations. Offers may come in the mail or be advertised on TV or in newspapers and magazines. Insurance companies may include offers of a discount card along with an insurance policy they are trying to sell you. A salesperson may come to your home and make an offer that sounds too good to pass up. Don't be pressured into making a snap decision.

Programs may offer more than they can deliver. Some of them may not help you save more than a dollar or two, and others are just outright scams. Many come onto the market with a flurry of activity, and then leave quickly.

ASK QUESTIONS FIRST

- Who offers this program?
- Is there a toll free number?
- Have any complaints been filed against this plan? Check with the Louisiana Attorney General's office at 1-800-351-4889.



Who is eligible?

- Do you have to be a member of an association to enroll?
- Does the program cover you alone, or include your spouse or your family?
- Is there an age requirement to join?

What are the benefits?

- Will prescriptions for pre-existing conditions be covered?
- Are drugs provided through a mail order service, walk-in pharmacy or both?
- Does the program cover the drugs you are taking?
- What drugs are not covered?
- Will this program work for someone who is in a nursing home?
- If you have other drug benefits, will this program work with it?
- Do you have to buy your drugs at a "participating pharmacy"? Get a list of the pharmacies before you enroll.
- Can you get price quotes for drugs before you buy? Ask for a list from the program, or check with your pharmacist.

How much does it cost?

- Is there a membership or enrollment fee? Does it cover just you or others as well?
- Is there an annual or monthly maintenance fee or premium?
- Can you be dropped from the plan for reasons other than non-payment of the fee or premium?
- What do you pay for each prescription?
- How can you pay (check, credit card, etc.)?
- Is there an annual maximum on the benefits you can receive?
- **Will the amount of money you save by using the plan be greater than all the costs and hassles?**

4. Foreign Sources

Many people buy drugs from foreign countries, especially Canada and Mexico. People bring drugs back to the U.S. after traveling to foreign sites, and drugs are ordered over the Internet (see below) or through mail order sources.



Although some foreign sources may be less risky than others, there's one important thing you need to know – when getting drugs from a source outside the United States there is little the U.S. government can do if you get ripped off. You have no assurance you will get what you request or that it will be safe.

Learn about any customs laws that apply to drugs bought outside the U.S. or to brought into the country. Rely on good medical advice and prescriptions from a reliable doctor before considering a foreign purchase.

isn't licensed in Louisiana, even if it is licensed in another state.

5. Internet Shopping

There are hundreds of drug-dispensing websites are in business. It's very easy to set up a site that looks professional and makes great promises. How can you tell which sites are legitimate, safe for you to use and save you money?



According to the Food and Drug Administration (FDA) the first thing to do is check with the National Association of Boards of Pharmacy (NABP) through website www.nabp.net or by calling 847-698-6227. The NABP information will tell you if a website pharmacy is licensed and in good standing. Consumers who suspect that a site isn't legitimate can report it to the FDA.

The NABP developed the Verified Internet Pharmacy Practice Site (VIPPS) program to certify that a pharmacy complies with certain standards and identifies the states in which a pharmacy is licensed. The VIPPS seal is not an endorsement or a guarantee.

A pharmacy that meets the VIPPS standards will display the VIPPS seal on its website. Clicking on the seal will take you to information about the pharmacy, including the states where it is licensed.

Any pharmacy that sends prescription drugs to Louisiana must be licensed here. If you do business with a pharmacy that is licensed in Louisiana, you have more protections. Louisiana authorities can do little to help if you have problems with a pharmacy that

Potential risks with the Internet:

- Receiving fake, substandard unapproved, outdated, products or no products at all.
- Getting an incorrect diagnosis because you don't have a face-to-face exam, or you deal with someone who isn't a doctor.
- Obtaining an inappropriate medicine because it is not right for your condition, it interacts with other drugs you take or it is the wrong dosage.
- Lack of assurance of confidentiality and security.

The FDA suggest avoiding sites that do the following:

- Prescribe a drug for the first time without a physical exam
- Sell a prescription drug without a prescription or sell a drug that is not approved by the FDA
- Don't provide you with access to a registered pharmacist to answer questions
- Don't identify themselves
- Don't have a U.S. address and phone number to contact if there's a problem (see "Foreign Sources")
- Feature undocumented claims, about drugs, promote "amazing" cures or announce conspiracies to keep a product off the market.

6. Assistance Programs

✓ *Prescription Drug Assistance Programs*

Many drug companies provide free or low-cost prescription medicines to doctors whose patients can't afford them. The Pharmaceutical Research and Manufacturers of America (**PhRMA**), www.phrma.org is an organization representing these companies and has a directory of the drugs provided through this program. If a particular medication is not listed, it may not be available under this program or may not be manufactured by a company belonging to PhRMA.

✓ *Drug Company Programs:*

Some drug companies offer assistance for drugs that are not included in the Patient Assistance Program described above. There may be income limits and other guidelines to meet. The offer may apply to all drugs the company makes or to selected ones. You may get a set discount or pay a small fee for each prescription. SHIP has a free fact sheet, "Prescription Drug Company Discount Plans" listing special programs offered by some companies.

Ask your pharmacist what drug company makes the drug you are prescribed. Check with the drug company for any special program they may have. If you need a telephone number for the drug company call SHIP at **1-800-259-5301**.

Another source of information about many of these programs, including telephone numbers for the drug companies, is found at www.needymeds.com. Evaluate the programs on this website in the same way as any other described in this guide.

Public libraries in Louisiana have computers with access to the Internet. Librarians can help you.

✓ *Medicaid:*

Several state programs for those with limited income and resources include prescription benefits. The State of **Louisiana Department of Health & Hospitals (DHH)** handles these programs.

Contact your parish Medicaid office or call SHIP at 1-800-259-5301 for your local number.

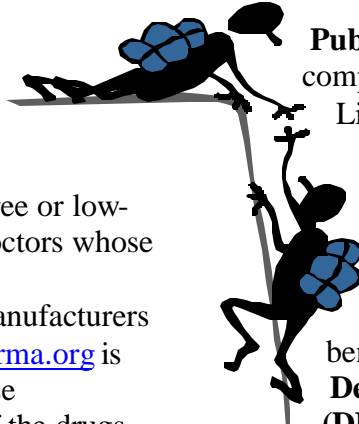
Work Incentives are in place to encourage people who are drawing Social Security Disability benefits (SSDI) to return to gainful employment. In addition, Medicaid coverage may also be available for employed people with disabilities.

✓ *Specified Disease Sources:*

Many serious diseases have related state and national organizations and support groups. They are a resource for information about the medications and assistance programs that might help you. If you don't know about groups related to your needs, check with your local health care provider or browse the Internet.

✓ *Local Sources:*

In some communities, civic organizations, churches and other groups may support a special program. Find out about these



sources by contacting local health facilities or community groups. Another good source of information about programs is the **Area Agency on Aging** serving your area. Call SHIP at **1-800-259-5301** for the agency in your area.

7. Helpful Strategies:

✓ *Consider these points:*

- Are you required to wait until a certain time before you can get a prescription refilled? For example, you may not get more until 20 days after your current supply runs out.
- Is there a limit on how much you can buy at one time?
- Understand any additional charges. Is there a flat fee for dispensing each prescription or for a total order? What are the shipping and handling charges?
- Use a credit card instead of a debit card. The federal Fair Credit Billing Act gives you important protections if you have a problem or don't get what you order when using a card.

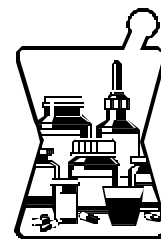
✓ *Checking for Alternatives:*

- Ask your doctor or pharmacist about alternatives. Always let your doctor decide if a substitution is right for you.
- Can your doctor give you free samples?
- Is there a generic version for the drug you've been prescribed?

- Is there another drug that does the same thing but is less expensive or is eligible for an assistance program?
- Is the drug you are taking available in an over-the-counter version?
- Is the drug available in different dosages that you could take more or less often?

✓ *Choosing your pharmacy:*

- Compare costs for your drugs at several pharmacies including a hospital pharmacy in your area.
- Ask if any discount is offered. Understand how it will affect your drug purchases.
- Will the pharmacist help you review all the medications you are taking over the counter and herbal products?
- After checking several pharmacies, it is generally best to decide on one for all your prescription needs. The pharmacy will keep a record of all the medications you are taking. You can be alerted if you've been prescribed medications that don't work well together. Your record will note any special needs or conditions that would be affected by a medication you've been prescribed.



The Senior Health Insurance Information Program (SHIIP) is a free, unbiased counseling program provided by the State of Louisiana Department of Insurance.

SHIIP has consumer materials and trained insurance counselors to help you get the answers and assistance you need when you have questions about:



- Medicare Benefits & claims
- Medicare choices
- Medicare supplement insurance
- Long term care insurance
- Other types of health insurance sold in the senior insurance market in Louisiana.



Louisiana Department of Insurance
J. Robert Wooley, Commissioner

Website: www.ldi.la.gov

Toll-free: 1-800-259-5301

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PRESCRIPTION DRUG COMPANY DISCOUNT PLANS

- (1) GlaxoSmithKline**
The Orange Card -- 1-888-672-6436
Website -- www.gsk.com
Requirements: Enrolled in Medicare (seniors and disabled)
No prescription drug coverage
Gross annual income less than \$26,000 (single) or \$35,000 (couple)
- (2) Novartis**
CareCardSM – 1-866-974-2273
Website – www.novartis.com
Requirements: Enrolled in Medicare (age 65 or older)
No prescription drug coverage
Gross annual income less than \$26,000 (single) or \$35,000 (couple)
Note: This plan does not appear to cover disabled beneficiaries.
- (3) Pfizer**
Share Card – 1-800-717-6005
Website – www.pfizerforliving.com
Requirements: Enrolled in Medicare (seniors and disabled)
No prescription drug coverage
Gross annual income less than \$18,000 (single) or \$24,000 (couple)
- (4) Eli Lilly**
LillyAnswersSM – 1-877-795-4559
Website – www.lilly.com
Requirements: Enrolled in Medicare (seniors and disabled)
No prescription drug coverage
Gross annual income less than \$18,000 (single) or \$24,000 (couple)
- (5) Together RX – 1-800-865-7211**
Website – www.together-rx.com

Reducing
Prescription Drug
Costs

Requirements: Enrolled in Medicare (seniors and disabled)
No other prescription drug coverage (private or public)
Gross annual income less than \$28,000 (single) or \$38,000 (couple)

- (6) Mature RX – 1-800-511-1314**
Website – www.maturerx.com
No fee & up to 65% discount depending on prescription

- (7) Prescription Benefits, Inc. – 1-800-377-1614**
Website – www.rxbenefits.com
No fee for people over 65.
Up to 75% discount depending on prescription

- (8) United States Pharmaceutical Group, Inc. – 1-800-977-9655**
Website – www.uspgi.com
Discount plans include prescription, dental, vision, hearing, diabetic and respiratory supplies, and chiropractic care.
Mail order services also available.
Up to 21% discount depending on prescriptions

- (9) Needy Meds**
Website – www.needymeds.com

- (10) www.helpingpatients.org**

- (11) www.benefitscheckuprx.org**

- (12) www.drugstore.com**